VZCZCXRO8954 OO RUEHCN RUEHGH DE RUEHIN #0391/01 0790953 ZNY CCCCC ZZH O 190953Z MAR 08 FM AIT TAIPEI TO RUEHC/SECSTATE WASHDC IMMEDIATE 8419 INFO RUEHBJ/AMEMBASSY BEIJING 7978 RUEHUL/AMEMBASSY SEOUL 9443 RUEHKO/AMEMBASSY TOKYO 9702 RUEHCN/AMCONSUL CHENGDU 2485 RUEHGZ/AMCONSUL GUANGZHOU 1045 RUEHHK/AMCONSUL HONG KONG 9232 RUEHGH/AMCONSUL SHANGHAI 1860 RUEHSH/AMCONSUL SHENYANG 6455 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC RHHJJAA/JICPAC HONOLULU HI RUEKJCS/SECDEF WASHINGTON DC RHHMUNA/USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000391

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SUBJECT: DPP VICE PRESIDENTIAL CANDIDATE SU TSENG-CHANG ON CAMPAIGN AND POSSIBILITY OF POST-ELECTION "SURPRISES"

Classified By: AIT Deputy Director Robert S. Wang, Reason 1.4 (b/d)

11. (C) Summary: DPP vice presidential candidate Su Tseng-chang told the Director on March 18 that the

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presidential race remains close. DPP candidate Frank Hsieh is gaining ground on KMT candidate Ma Ying-jeou as voters begin to pay closer attention to the candidates and issues in the final week. The remaining days of campaigning will be crucial for Hsieh, who could pull ahead with a final surge. The tide began turning in Hsieh's favor with the March 16 island-wide rallies, which boosted enthusiasm among DPP supporters, and with Hsieh's criticism of the "one China market," which has struck a nerve with voters concerned about the implications of cross-Strait economic liberalization under a Ma administration. Asked whether President Chen might produce a post-election "surprise" that risks destabilizing cross-Strait relations, Su said the possibility was very unlikely because Chen would face political constraints and could not go against the will of the Taiwan people. End Summary.

Campaign Picking up Momentum

- 12. (C) The Director met with DPP vice presidential candidate Su Tseng-chang on March 18 at his headquarters to discuss the campaign heading into the presidential election on Saturday, March 22. Su was accompanied by international affairs director Bikhim Hsiao. Su told the Director that the race remains close, with Hsieh gaining ground on Ma as voters begin to pay closer attention to the candidates and issues in the final week. The remaining days of campaigning will be crucial for Hsieh, who could pull ahead with a final surge at the end.
- ¶3. (C) Su said as an experienced campaigner he began to "feel" the tide turning in Hsieh's favor starting with the March 16 island-wide rallies, which successfully boosted enthusiasm among DPP supporters, and continuing with the criticism of Ma's "one China market" proposal this week. The latter issue, in particular, has struck a nerve with voters concerned that cross-Strait liberalization under a Ma

administration would lead to increased competition for jobs, higher unemployment, and defective or contaminated products flooding Taiwan. The protests in Tibet and the ensuing Chinese crackdown, Su added, reinforces the real danger China poses to Taiwan and shows that Ma's more conciliatory stance toward Beijing is "naive" at best.

- 14. (C) Su said the KMT three-quarters majority in the legislature also raises concerns about past one-party domination and excessive KMT arrogance, highlighted last week when four KMT legislators intruded into Hsieh's campaign headquarters on the pretext of investigating the leasing of the office spaces. Most people on Taiwan still remember the dangers of one-party rule and don't want to see the KMT regain complete control. Nevertheless, Su acknowledged, some would vote for Ma out of dissatisfaction with the DPP's performance over the past 8 years rather than a genuine liking for the KMT.
- 15. (C) Su told the Director the KMT has been able to outspend the DPP in advertising and other activities throughout the campaign. Given its limited financial resources, the DPP has saved its money for the final week and is hoping the focus on the "one China market" will counteract the KMT's attempt to blame rising prices on DPP economic mismanagement.

Concerns About A Ma Presidency

16. (C) Su said the past 8 years of DPP rule have led to a "greening" of the KMT, but he remains concerned that the core ideology of KMT leaders like Ma remains "China-centric," papered over only by good packaging. Su said he worries about the future of Taiwan's democracy and its ability to stand up against China should Ma win on Saturday. Ma may

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give Beijing concessions that set Taiwan on a course toward unification and would be difficult to reverse should the DPP come to power again. The KMT could also pass legislation that changes the "rules of the game," making it more difficult for the DPP to expand its representation in the legislature and take back the presidency in future elections.

Chen Constrained by People of Taiwan

17. (C) Asked whether President Chen might unveil a "surprise" after the election that risks destabilizing cross-Strait peace, Su initially laughed off the question as inconceivable given the structure of Taiwan politics. Further pressed, Su said the possibility was unlikely, explaining that Taiwan's democratic development means there would be little support among the people should President Chen attempt anything "risky" during his remaining months in office. President Chen understands these constraints, made clear when his comments on martial law late last year provoked strong opposition and forced him to recant. Taiwan's democratic ideals are its most valuable asset, Su continued, and any leader who tries to go against them will not be able to get very far. Taiwan's president-elect, whether Hsieh or Ma, would also oppose controversial moves or statements by Chen. Finally, Su pointed out that Taiwan's government institutions, civil service, and military, are professional and politically neutral, serving as an added check on rash initiatives by any president.

Comment

¶8. (C) Enthusiastic and energetic throughout the meeting, Su appeared upbeat on the DPP's chances to pull off a come-from-behind victory on March 22. Bikhim Hsiao in an aside told the Director that Su and Hsieh, competitors within

the party, have put aside their differences and are working well as a team. Should the DPP lose on Saturday, Su could emerge as the next leader of the party as it goes through a period of reform and rebuilding. YOUNG